

AMENDED IN SENATE JULY 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 285

Introduced by Assembly Member Brown
(Coauthor: Assembly Member Medina)

February 11, 2013

An act to amend Section 18000 of the Business and Professions Code, and to amend Section 14013 of, and to add Sections 14001 and 14013.2 to, the Unemployment Insurance Code, relating to microenterprises.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as amended, Brown. Microenterprises: economic development.

(1) Existing law encourages local governments as well as California communities and the public agencies that serve them to promote development of a microenterprise, as defined.

This bill would revise the definition of a microenterprise.

(2) The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Under existing law, the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board, among other things, to assist the Governor with promoting the development of a well-educated and highly skilled workforce and developing the State Workforce Investment Plan.

This bill would express findings and declarations of the Legislature with respect to the self-employment workforce in the state, and the importance of all Californians having the opportunity to receive the

training for entrepreneurial and self-employment provided for under the federal act.

This bill would additionally require the board to assist the Governor by developing specified guidelines for certain high-wage industry sectors and making recommendations on how to target resources to specified high-wage industry sectors, and by recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment board programs as authorized under the federal act.

(3) The bill would also require the board, by January 1, 2015, to develop and distribute guidelines, or provide other assistance to, local workforce investment boards to help them implement entrepreneurial and self-employment training programs.

(4) *This bill would incorporate additional changes to Section 14013 of the Unemployment Insurance Code proposed by Senate Bill 118 that would become operative if this bill and Senate Bill 118 are enacted and this bill is enacted last.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18000 of the Business and Professions
- 2 Code is amended to read:
- 3 18000. (a) For purposes of this part, "microenterprise" means
- 4 a sole proprietorship, partnership, limited liability company, or
- 5 corporation that meets all of the following requirements:
- 6 (1) Has five or fewer employees, including the owner, who may
- 7 be employed part time or full time.
- 8 (2) Generally lacks sufficient access to conventional loans,
- 9 equity, or other banking services.
- 10 (b) For purposes of this part, "microenterprise development
- 11 provider" means a nonprofit organization or public agency that
- 12 provides self-employment training, technical assistance, and access
- 13 to microloans to an individual seeking to become self-employed
- 14 or to a microbusiness seeking to expand its current business.
- 15 SEC. 2. Section 14001 is added to the Unemployment Insurance
- 16 Code, to read:
- 17 14001. The Legislature finds and declares the following:

1 (a) Nearly one-third of California's workforce is comprised of
2 independent and self-employed workers, including entrepreneurs,
3 contractors, independent consultants, and home-based businesses.

4 (b) The self-employed workforce in California has grown by
5 over 100 percent in the last 15 years.

6 (c) The federal Workforce Investment Act of 1998 (29 U.S.C.
7 Sec. 2801 et seq.) provides that states should offer training and
8 workforce development services through state and local workforce
9 investment boards. In fulfilling these duties, it is important that
10 all Californians have the opportunity to receive entrepreneurial
11 and self-employment training, as well as other training that can
12 help them successfully work for others.

13 (d) It is the policy of the State of California, to the extent
14 feasible, to provide individuals with the opportunity to learn skills
15 needed to pursue self-employment opportunities in order to provide
16 a stable income for them and their families.

17 SEC. 3. Section 14013 of the Unemployment Insurance Code
18 is amended to read:

19 14013. The board shall assist the Governor in the following:

20 (a) Promoting the development of a well-educated and highly
21 skilled workforce.

22 (b) Developing the State Workforce Investment Plan.

23 (c) Developing guidelines for the continuous improvement and
24 operation of the workforce investment system, including:

25 (1) Developing policies to guide the one-stop system.

26 (2) Providing technical assistance for the continuous
27 improvement of the one-stop system.

28 (3) Recommending state investments in the one-stop system.

29 (4) Providing guidance to ensure services reflect the needs of
30 high-wage industry sectors.

31 (d) Developing and continuously improving the statewide
32 workforce investment system as delivered via the one-stop delivery
33 system, including:

34 (1) Developing linkages in order to ensure coordination and
35 nonduplication among workforce programs and activities.

36 (2) Reviewing local workforce investment plans.

37 (3) Making recommendations on how to target resources to
38 high-wage industry sectors that are either high-growth sectors or
39 critical to California's economy, or both.

1 (e) Commenting, at least once annually, on the measures taken
2 pursuant to the Carl D. Perkins Vocational and Applied Technology
3 Education Act Amendments of 1990 (Public Law 101-392; 20
4 U.S.C. Sec. 2301 et seq.).

5 (f) Designating local workforce investment areas within the
6 state based on information derived from all of the following:

7 (1) Consultations with the board.

8 (2) Consultations with the chief local elected officials.

9 (3) Consideration of comments received through the public
10 comment process, as described in Section 112(b)(9) of the federal
11 Workforce Investment Act of 1998 (29 U.S.C. Sec. 2822(b)(9)).

12 (g) Developing and modifying allocation formulas, as necessary,
13 for the distribution of funds for adult employment and training
14 activities, for youth activities to local workforce investment areas,
15 and dislocated worker employment and training activities, as
16 permitted by federal law.

17 (h) Coordinating the development and continuous improvement
18 of comprehensive state performance measures, including state
19 adjusted levels of performance, to assess the effectiveness of the
20 workforce investment activities in the state.

21 (i) Preparing the annual report to the United States Secretary of
22 Labor.

23 (j) Recommending policy for the development of the statewide
24 employment statistics system, including workforce and economic
25 data, as described in Section 15 of Title 29 of the United States
26 Code, and using, to the fullest extent possible, the Employment
27 Development Department's existing labor market information
28 systems.

29 (k) Recommending strategies to the Governor for strategic
30 training investments of the Governor's 15-percent discretionary
31 funds.

32 (l) Developing and recommending waivers, in conjunction with
33 local workforce investment boards, to the Governor as provided
34 for in the federal Workforce Investment Act of 1998.

35 (m) Recommending policy to the Governor for the use of the
36 25-percent rapid response funds, as authorized under the federal
37 Workforce Investment Act of 1998.

38 (n) Developing an application to the United States Department
39 of Labor for an incentive grant under Section 9273 of Title 20 of
40 the United States Code.

1 (o) Recommending policy and providing technical assistance
2 on entrepreneurial training opportunities that could be made
3 available through programs of local workforce investment boards
4 as authorized under the federal Workforce Investment Act of 1998
5 (29 U.S.C. Sec. 2801 et seq.).

6 *SEC. 3.5. Section 14013 of the Unemployment Insurance Code*
7 *is amended to read:*

8 14013. The board shall assist the Governor in the following:

9 (a) Promoting the development of a well-educated and highly
10 skilled *21st century* workforce.

11 (b) Developing the State Workforce Investment Plan.

12 (c) Developing guidelines for the continuous improvement and
13 operation of the workforce investment system, including:

14 (1) Developing policies to guide the one-stop system.

15 (2) Providing technical assistance for the continuous
16 improvement of the one-stop system.

17 (3) Recommending state investments in the one-stop system.

18 (4) Targeting resources to ~~high-wage~~ *high-wage competitive and emerging*
19 *industry sectors that and industry clusters that provide economic*
20 *security and are either high-growth sectors or critical to*
21 *California's economy, or both. These industry sectors and clusters*
22 *shall have significant economic impacts on the state and its*
23 *regional and workforce development needs, and have documented*
24 *career opportunities.*

25 (5) *Providing guidance to ensure services reflect the needs of*
26 *high-wage industry sectors.*

27 (6) *To the extent permissible under state and federal laws,*
28 *recommending youth policies and strategies that support linkages*
29 *between kindergarten and grades 1 to 12, inclusive, and community*
30 *college educational systems and youth training opportunities in*
31 *order to help youth secure educational and career advancement.*
32 *These policies and strategies may be implemented using a sector*
33 *strategies framework and should ultimately lead to placement in*
34 *a job providing economic security or job placement in an*
35 *entry-level job that has a well-articulated career pathway or career*
36 *ladder to a job providing economic security.*

37 (7) *To the extent permissible under state and federal law,*
38 *recommending adult and dislocated worker training policies and*
39 *investments that offer a variety of career opportunities while*

1 *upgrading the skills of California's workforce. These may include*
2 *training policies and investments pertaining to any of the following:*
3 *(A) Occupational skills training, including training for*
4 *nontraditional employment.*
5 *(B) On-the-job training.*
6 *(C) Programs that combine workplace training with related*
7 *instruction, which may include cooperative education programs.*
8 *(D) Training programs operated by the private sector.*
9 *(E) Skill upgrading and retraining.*
10 *(F) Entrepreneurial training.*
11 *(G) Job readiness training.*
12 *(H) Adult education and literacy activities provided in*
13 *combination with any of the services described in this paragraph.*
14 *(I) Customized training conducted with a commitment by an*
15 *employer or group of employers to employ an individual upon*
16 *successful completion of the training.*
17 *(d) Developing and continuously improving the statewide*
18 *workforce investment system as delivered via the one-stop delivery*
19 *system; system and via other programs and services supported by*
20 *funding from the federal Workforce Investment Act of 1998,*
21 *including:*
22 *(1) Developing linkages in order to assure ensure coordination*
23 *and nonduplication among workforce programs and activities.*
24 *(2) Reviewing local workforce investment plans.*
25 ~~*(3) Providing guidance to ensure services reflect the needs of*~~
26 ~~*high-wage industry sectors.*~~
27 *(3) Leveraging state and federal funds to ensure that resources*
28 *are invested in activities that meet the needs of the state's*
29 *competitive and emerging industry sectors and advance the*
30 *education and employment needs of students and workers so they*
31 *can keep pace with the education and skill needs of the state, its*
32 *regional economies, and leading industry sectors.*
33 *(4) Making recommendations on how to target resources to*
34 *high-wage industry sectors that are either high-growth sectors or*
35 *critical to California's economy, or both.*
36 *(e) Commenting, at least once annually, on the measures taken*
37 *pursuant to the Carl D. Perkins Vocational and Applied Technology*
38 *Education Act Amendments of 1990 (Public (Public Law 101-392;*
39 *20 U.S.C. Sec. 2301 et seq.).*

1 (f) Designating local workforce investment areas within the
2 state based on information derived from all of the following:

3 (1) Consultations with the ~~Governor~~ board.

4 (2) Consultations with the chief local elected officials.

5 (3) Consideration of comments received through the public
6 comment process, as described in Section 112(b)(9) of the federal
7 Workforce Investment Act of 1998 (29 U.S.C. Sec. 2822(b)(9)).

8 (g) Developing and modifying allocation formulas, as necessary,
9 for the distribution of funds for adult employment and training
10 activities, for youth activities to local workforce investment areas,
11 and dislocated worker employment and training activities, as
12 permitted by federal law.

13 (h) Coordinating the development and continuous improvement
14 of comprehensive state performance measures, including state
15 adjusted levels of performance, to assess the effectiveness of the
16 workforce investment activities in the state.

17 (i) Preparing the annual report to the United States Secretary of
18 Labor.

19 (j) Recommending policy for the development of the statewide
20 employment statistics system, including workforce and economic
21 data, as described in Section 15 of Title 29 of the United States
22 Code, and using, to the fullest extent possible, the Employment
23 Development Department's existing labor market information
24 systems.

25 (k) Recommending strategies to the Governor for strategic
26 training investments of the Governor's 15-percent discretionary
27 funds.

28 (l) Developing and recommending waivers, in conjunction with
29 local workforce investment boards, to the Governor as provided
30 for in the federal Workforce Investment Act of 1998.

31 (m) Recommending policy to the Governor for the use of the
32 25-percent rapid response funds, as authorized under the federal
33 Workforce Investment Act of 1998.

34 (n) Developing an application to the United States Department
35 of Labor for an incentive grant under Section 9273 of Title 20 of
36 the United States Code.

37 (o) *Recommending policy and providing technical assistance*
38 *on entrepreneurial training opportunities that could be made*
39 *available through programs of local workforce investment boards*

1 *as authorized under the federal Workforce Investment Act of 1998*
2 *(29 U.S.C. Sec. 2801 et seq.).*

3 SEC. 4. Section 14013.2 is added to the Unemployment
4 Insurance Code, to read:

5 14013.2. By January 1, 2015, the California Workforce
6 Investment Board shall develop and distribute guidelines or provide
7 other assistance, or both, to local workforce investment boards to
8 help them implement entrepreneurial and self-employment training
9 programs. In the development of these guidelines or other
10 assistance, the board may consult with state agencies and small
11 business-related associations, as appropriate.

12 SEC. 5. *Section 3.5 of this bill incorporates amendments to*
13 *Section 14013 of the Unemployment Insurance Code proposed by*
14 *both this bill and Senate Bill 118. It shall only become operative*
15 *if (1) both bills are enacted and become effective on or before*
16 *January 1, 2014, (2) each bill amends Section 14013 of the*
17 *Unemployment Insurance Code, and (3) this bill is enacted after*
18 *Senate Bill 118, in which case Section 3 of this bill shall not*
19 *become operative.*